



Pest Control Operators of California Inc.

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September 9, 2004

The Honorable Arnold Schwarzenegger
Governor of California
State Capitol Building
Sacramento, California 95814

The California Performance Review
C/O Office of Governor Arnold Schwarzenegger
State Capitol
Sacramento, California 95814

Dear Governor Schwarzenegger,

I am writing to you on behalf of the Pest Control Operators of California. We are the only statewide trade association that represents the structural pest control industry in California. We were incorporated in 1942 and currently represent 70% of the structural pest companies in California.

We would like to applaud the Governor and the California Performance Review for their efforts to streamline government, making it more efficient and less costly, a change that is long overdue.

Members of the structural pest control industry lobbied the California legislature in 1935 to create the Structural Pest Control Act and thus the Structural Pest Control Board. The legislature agreed and legislation was signed into law that did in fact create both in 1935. The reason the industry promoted this legislation was to create a governing agency to oversee an industry fraught with unscrupulous business practices that were harming the consumers of California and the respectable members of the industry.

The recommendations put forth by the CPR are reason for concern. The single largest function of the Structural Pest Control Board and staff is that segment of our industry which deals with wood destroying organisms, and it was not mentioned at all in the CPR's description of the Board and its activities. The Board handles at least 1200 consumer complaints annually, 85% of which deal with wood destroying organisms (termites, termite inspection reports, repairs to consumer property, proper termite inspections, enforcement and adjudication of consumer complaints). We find this omission to be particularly alarming and call it to your attention.

The Structural Pest Control Board is completely financed by industry fees, approximately \$3,000,000 per year. The report states, and we concur, that there would be no substantive savings to the State of California by eliminating the Structural Board. We assume therefore that the main accomplishment would be more efficiency and a more consumer friendly agency of government. We feel that what might happen instead would be the creation of chaos. Without a Board to adjudicate consumer concerns, the consumer might well turn to the courts to settle their disputes. A statement sent to you recently points out that the Board accounts for nearly \$1.5 million in restitution paid to consumers in either work or cash in the past 12 months. It could disrupt real estate transactions, which rely upon Structural Pest Control Board controlled inspections.

We believe the appointment process could be substantially improved resulting in dramatic improvements in the Board. You and the legislature should make every effort to make sure that any potential appointees have both an interest and ability to truly serve the consumer of California. Appointments made as a political thank you often results in disappointment to both the appointee and the Board to which they were appointed. What is good for the consumer is good for the industry.

Additionally, there has been the long-standing problem of dismissing employees who perform poorly and do not contribute to the Board's administrative responsibilities.

The Pest Control Operators of California formed a task force to review the recommendations of CPR.

We recommend that the Structural Pest Control Board or a similar entity be placed under the proposed Commerce and Consumer Protection Department.

We would like to officially go on record of offering our assistance in making needed changes to the make the Board run more smoothly and to assist the staff in becoming more efficient.

Sincerely yours,

Harvey L. Logan
Executive Vice President
Pest Control Operators of California

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